



## Broker Briefing

### Amendment passes to extend Eligibility Period for COBRA Continuation Coverage

Rocky Mountain Health Plans will be mailing the following letter to employer groups clients with two or more employees. This letter will go out on Tuesday, January 12, 2010.

Dear Valued Employer,

This overview highlights changes that will occur as a result of the recent amendment to the American Recovery and Reinvestment Act of 2009 (ARRA). Attached is the Fact Sheet developed by the Department of Labor which provides more detail on this recent amendment.

- ARRA was amended on December 19<sup>th</sup> by the 2010 Department of Defense (DoD) Appropriations Act.
- Amendment extends the eligibility period for the COBRA subsidy from December 31, 2009 to February 28, 2010, regardless of when continuation of coverage actually begins.
  - *If continuation coverage begins on March 1, 2010, the individual will qualify for the subsidy.*
- Amendment extends the maximum period for receiving the subsidy from nine to 15 months.
  - *This extension applies to individuals who had reached the end of the premium subsidy period before the legislation extended it to 15 months. (For example – Individuals who elected the premium subsidy starting March 1, 2009 exhausted the subsidy on November 30, 2009. These individuals will be given the opportunity to continue the premium assistance for up to an additional six months with no lapse in coverage.)*
  - *Individuals who have exhausted their COBRA premium subsidy and have continued their Continuation Coverage will receive a credit for future months of coverage.*
  - *Individuals who may have enrolled in an Individual plan at the end of their nine month period will have the option of reinstating their premium reduction for the additional six months. Any premiums paid for their Individual plan would not be refunded.*
- 2010 DoD Act includes both COBRA and State Continuation of Coverage
  - *Same extension applies to individuals eligible for premium reduction from an employer with less than 20 employees.*
- “Assistance eligible individuals” must be given notice about the subsidy extension for up to an additional six months.
  - *Notification must be sent by February 17, 2009.*
  - *Rocky Mountain Health Plans will draft and mail all notifications to RMHP Members who:*
    1. *Are currently enrolled and remitting reduced premium payment for their group continuation coverage;*
    2. *Exhausted their reduced premium period; or*
    3. *Were involuntarily terminated from employment on or after October 31, 2009.*

1/8/2010

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Rocky Mountain Health Plans will modify the general COBRA/CCOC election notice sent on behalf of employers for all qualified individuals eligible for premium reduction in January and February 2010. Modification will include information on the extended eligibility for the premium subsidy and for the subsidy extension period of up to 15 months.

Points to remember:

- Premium reduction applies to periods of coverage beginning on or after March 1, 2009.
- The premium reduction ends upon eligibility for other group coverage (or Medicare), after 15 months of the reduction, or when the maximum period of COBRA (or CCOC) coverage ends.
- RMHP will continue its current process of assisting you with Continuation Coverage administration.

If you have any questions regarding this information, please contact the Group Management Team at 800-453-2981, Option 1, or your Account Manager.

Sincerely,



Michelle Walker  
Director of Sales Administration

Attached here, you will find the Fact Sheet developed by the Department of Labor which provides more detail on this recent amendment.

[COBRA Fact Sheet](#)

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As always, if you have any questions, comments or need assistance,  
please call your Rocky Mountain Health Plans or CNIC Account Executive.

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